REMARKS/ARGUMENTS

Claims 1, 2, 3 and 8 have been amended to correct the issues objected to by the Examiner.

Claims 1 to 14 stand rejected under 35 USC 102(e) as being anticipated by Narushima. In response the Applicant has amended claim 1 to recite that the modification of the image provides an enhancement of the image.

The Applicant considers that Narushima does not teach "modifying" an image as that term would be understood by the person skilled in the art. Narushima teaches merely selecting the print quality of an image, which, as the Examiner will readily understand, does not involve any modification of the image.

Parulski teaches the production of a composite image by adding a photographic image to a background template. Parulski also teaches the application of text data to the composite image. The Applicant considers that Parulski does not teach the present invention because Parulski does not teach modifying the image. That is, Parulski only teaches the formation of a composite image by adding two images, with the original image remaining unaltered. That is, there is no manipulation, modification, or enhancement of the original image. However, in order to clarify this point, the Applicant has amended claim 1 to specify that the stored image has applied to it an image enhancement effect. Examples of enhancement effects, such as blurring, duplication, colour modifications etc are provided in the description. In such examples, it is the actual pixels of the image that are modified so that the result is a true modification of the original image, not just a combination of the original image with other overlying or underlying images.

A further distinction over Narushima, and Narushima when combined with Parulski, is that there is no teaching of a unitary device having a printer, a memory, means for applying an image enhancement effect AND an image display means for displaying the enhanced image. Narushima teaches that an output signal goes to a separate monitor outside of the printer device 21. That is, Narushima cannot teach a digital photo album as defined and as described by the present application.

In light of these distinctions, the Applicant considers that claim 1, and claims 2 to 14 by dependency on claim 1, are novel and inventive over the cited prior art.

The Applicant respectfully submits that this response is fully responsive to the issues raised in the Office Action, with each of the issues being overcome by amendment and/or the arguments presented herein. Further consideration of the application is therefore respectfully requested.

Very respectfully,

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